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LOCALIZATION OF PROFESSIONAL INSTITUTES FOR EXAMINING, CONFERRING QUALIFICATIONS CERTIFYING AND ACCREDITING FOR PROFESSIONAL PRACTICE IN BANKING:

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LOCALIZATION OF PROFESSIONAL INSTITUTES FOR EXAMINING, CONFERRING QUALIFICATIONS CERTIFYING AND ACCREDITING FOR PROFESSIONAL PRACTICE IN BANKING.

BY

J.N.J. BRONYAH

Introduction:

This paper is being presented at the request of the United Nations Economic Commission for Africa to be discussed at the Fifth Biennial Training Development Conference of the African Association for Training and Development in Addis Ababa. This study is based on my personal knowledge, experiences, insights and perceptions of the problem.

The study deals in general with the problems and constraints of the localization process among African countries and gives guidelines for the establishment of professional Institutes for training of bankers.

Terms of Reference:

In writing this paper I worked within the following terms of reference supplied by the Economic Commission for Africa:

(1) To review the nature and scope of the problem relative to the establishment and development of "Fellowship" or "Membership" Institutes or College for examining, conferring certification/ qualification and accrediting individuals for professional practice in Banking.

(2) To review the adequacy of existing professional Institutes' their training programmes, facilities, examinations set, certification and accreditation procedures and practices for the development of professionals from middle level technicians to high and specialised level professionals in banking.

(3) To design guidelines or a structure for establishing a sub-regional or regional post-graduate "Fellow" institutes or colleges for professional training, setting standards, Fellowship, examinations, certification and accrediting nationals for professional practice in Banking.

The place of banks in the economy:

To understand the need for specialised training in banking, it is important to understand the role the banks play in society. Banking thrives on monetised economies. That is to say that banking thrives in an economy where a single commodity serves as the medium of exchange and there is an absence of barter i.e. direct exchange of commodity for commodity. The use of money became widespread in African economies during the 19th century when Africa came into contact with Europe which later colonised it. With the increasing use of money the first and major precondition for banking was set.

Banking was eventually also introduced into Africa from Europe in the 19th century and while in most advanced countries banking has been practised for the past 500 years, Africa has only seen about 90 years of banking. Initially in most countries in Africa the banking system was modelled on the same lines as the one in operation in the metropolitan power in Europe. It is therefore not surprising that the mode of educating the banker in Africa has also followed the same pattern which obtained in the metropolitan country despite the fact that over the years the banking structures in Africa have changed profoundly and sometimes drastically after the emergence of political independence.

On attainment of independence, most African countries on realising the absence of an efficient capital market to speed badly needed economic transformation became aware that there was a close connection between economic development and the process of financial intermediation in an economic system which was less developed.

Experience over the last twenty years has demonstrated that the "financial component" of economic development is of primary importance and simply cannot be under-estimated. Africa has learnt enough to know that developing countries only too often get trapped in the contradictory situation of being burdened with large foreign debts while their own domestic financial resources are under-utilised because of quantitative and qualitative short-comings in their system of financial inter-mediation. External sources of finance for economic development have proved too unreliable and too restrictive of choice, so much so that it has become clear that economic development pre-supposes an adequate volume of domestic savings and their rational investment. It is in this light that we can appreciate why governments of many countries in Africa launched on a process of accelerated, and to the extent possible, a vigorous strengthening of the domestic financial infrastructures.

This should be the case because banking is at the very heart of the economy. Without an efficient banking system, industry, agricultural, industrial and commercial sectors of the economy will not perform. Moreover, the mobilization of savings will be virtually impossible and there will be very little resources for investment.

In recognition of the important role banks play in society, several types of banking institutions were established to bring about the rapid economic development sought after. As a country progressed from one stage of development to another, a new type of financial arrangement was brought into being. At the first stage of development, the main effort was brought to bear on gradually spreading the use of money and reducing the areas of subsistence economy and barter. At this stage only two financial institutions were needed, each supplimenting the other. One was a bank

of issue, performing in addition the functions of commercial banks and the other a development bank, which for the time being took the place of the non-existent capital market and made up for the lack of the private entrepreneur.

In the second stage a central bank in the true meaning of the word. with all the functions attributed to it by modern theory, such as credit control and supervision, came into existence. Furthermore, commercial banks, both public and private, sprang up and the development bank began to specialise in financing industry, leaving agriculture to be financed by a new specialised institution. At this stage it was hoped conditions would begin to improve for the emergence of an organised securities market.

At the third stage, the banking system fills out and begins to spread more widely throughout the country. It is most important that at any particular stage of development, a new arrangement of educating the personnel who operate these institutions should have been put in place. That was not to be and sadly and unfortunately, Educational Planners in Africa did not continue to pay attention to the educational needs of the great army of people who work in these institutions. Our educational system has placed too much emphasis on academic attainment to the exclusion of professional training. It is important to stress that one of the major assets of the banking industry is its labour force and the proper management of that force is essential to the health of the industry. Many African countries have lost vital resources through the inadequacies of the personnel operating these institutions and has led to growing dissatisfaction with the workings of the banking system in Africa.

Several attempts have been made to make the banks work better which has culminated in the appointment of commissions of enquiry in some African countries but all these attempts have barely scratched the back of the problem. The basic weakness in the efficient performance of the banking system lies in the quality of personnel. Banking as a labour-intensive industry needs well-trained personnel, otherwise the entire system cannot simply perform.

In Africa, majority of bank employees have no recognisable qualifications in banking because of the absence of professional institutes in some countries and where in other countries such Institutes do exist there is no policy on the acquisition of professional qualifications. The erraneous notion held by many policy-makers that an officer would develop certain skills through the practice of daily routines and other knowledge by participating in internal bank training schemes has not helped matters to a large extent. This system of training is inadequate and such an officer would only increase his value to his bank and his nation if he acquires through study, a wider knowledge of banking subjects carefully selected by a professional Institute.

In most countries in Africa, as already mentioned there are no college facilities for this type of study despite its importance to the economy, for most who wish to qualify the only avenues open are to:

(1) Travel Abroad

(2) Attend Evening Classes or

(3) Undertake Correspondence Courses

All these methods of study have their defects.

Studying Abroad:

For most people, travelling to either America or Europe is the only way available to them to acquire a professional qualification in banking. This method of study is both expensive to the candidate and the nation. For the candidate who fails to obtain government scholarship for the course, his parents or friends will have to find the money to finance the local currency component after the state has approved foreign exchange for the course.

To the country, studies abroad is a big drain on scarce foreign exchange resources and in Ghana such an outlay is an enormous charge on the exchequer and it is estimated to be in the region of about $ 100m per annum. Added to the financial cost mentioned above is the cultural shock the candidate is exposed to. Where he eventually succeeds in adapting himself to his new environment he finally returns to his own country to find out that he cannot practice the knowledge he has acquired owing to the differences in systems.

Evening Classes:

In African countries where there are in existence some caricature of professional Institutes, the best facility available to the candidate is to attend evening classes organised by the local Institute. Evening classes have many defects as a medium through which to acquire a major qualification. Many students attend classes very tired at the end of the day's work and can hardly absorb anything taught. In such circumstances very little education takes place. Added to this is the poor transportation systems in most African countries. Students have really to struggle to and from classes and renders them most exhausted and in time become discouraged and have to abandon their studies. Where the student has the will-power to persevere he is confronted by the absence of basic reading materials and inadequate tutors. He is therefore forced to embark on correspondence course from overseas which is by no means cheap.

Correspondence Courses:

Most correspondence colleges are domiciled abroad and most of the reading materials are designed to suit the market there. Most examples are drawn from that environment and a student reading at home can hardly comprehend what is being discussed in the course. It is therefore not the best of study method to get someone through a professional course.

The existing professional Institutes in Africa

Most of the Institutes in existence in Africa started as local centres of the parent Institutes in Europe. They are mostly run on part-time basis by bank officials who are not experts in educational methodology. The activities of these Institutes centre around a few social functions and organization of occasional lectures.

They mostly exist to encourage bank officials to take the examinations of the parent Institute in Europe. Most of such Institutes have no examination roles and therefore have no control over the syllabuses in use. In such a situation, banks and employees for whom these courses are supposed to serve themselves do not feel committed to it. To the banks, they consider the courses not to be relevant to their needs because while in Europe the banks are looked upon to provide working capital needs the banks in Africa are increasingly being called upon to provide seed capital and are therefore development in outlook. Since syllabuses are not developed in a vacuum banking syllabuses developed abroad have different orientation and emphasis.

To the student the courses do not capture his interest because what he is learning has very little relevance to the job in hand. He has to swallow and digest some other country's Law, Taxation system and economic conditions to the exclusion of his own environment. In such circumstances he finds the course very difficult and uninteresting.

After completing the course, the candidate finds it difficult trying to relate what he has learnt to two different banking systems one of which is foreign to him. And certainly banking in Africa has drifted apart indeed! The greatest need of Africa at the present time is to train people, who, while possessing the requisite knowledge in the banking practice of providing the working capital needs of industry and agriculture, can also be depended upon to provide safely, the seed capital needed by agriculture and industry. This is what has come to be known as development financing.

The trend, the past 5 years has been the tendency for most of these local centres of the parent Institutes in Europe to develop their own autonomous Institutes. The movement has not gathered full momentum and while a few Institutes such as Ghana, Nigeria and Zimbabwe have shown some glimpses that they are poised to break through, the future is far off. Countries such as Sierra Leone, Lesotho, Swaziland, Gambia, Liberia and many more have no local centres, let alone autonomous Institutes and there is therefore no organised system of training bankers despite the mushrooming of some banking institutions.

In the few countries where the Institutes have been granted autonomy the only thing which has changed is the name and the emblem. The old syllabuses used by the parent Institute are in force and no serious attempt has been made to re-design the syllabuses to meet local needs. Maybe these Institutes cannot move much faster because of the total absence of local reading materials.

Help is certainly needed to assist these Institutes to look at existing syllabuses, develop appropriate reading materials, and train teachers and examiners.

In those countries in Africa where no Institutes exist help must be given to enable them set up local Institutes.

Is banking a profession?

The question has often been asked whether banking is a profession. Those who argue that banking is not a profession contend that a professional banker cannot set up his own shop and practice his profession much as a doctor a lawyer or the other known professionals can do. They also argue that one does not need a licence to practice the profession of banking, because, the power to hire and fire remains in the hands of the employer (mostly the government) and the professional body has little control over such matters.

In my view such arguments beg the question because the generally accepted definition of a profession is the practice of a technique based on a body of knowledge acquired through education and training. This presupposes that a professional man has a claim to some sort of knowledge and that the knowledge has been obtained through a considerable period of education and training and that the knowledge is used to practice his occupation. It is true to say that while an incompetent doctor can be found out much quickly a banker on the other hand who has no knowledge about his job and continues to tender bad advice to his customers can get away with his incompetence in the short-run. But eventually the cumulative result of the incompetence of the banker will snow-ball into the collapse of enterprises, waste of resources and general collapse of the economy. Indeed many African countries have suffered from this malaise because of the absence of competent financial managerial skills. This has happened because in Africa the education of bankers has been ignored.

In Africa many people parade the corridors of the banks masquarading as bankers because there is no common yardstick to determine who a banker is. Anybody who has obtained some minimal education and works in a bank irrespective of his specialisation i.e. whether a specialist in the estate or chief Accountant's Department calls himself a banker and may eventually be made to take decisions affecting the use of a country's resources which is necessarily scarce. This can only be stopped by a recognisable banking qualification which should be the only evidence of ability - an identification label.

The attributes of a good professional institute

In the light of the foregoing, there is a strong need and a case for professional Institutes of bankers to be established in each African country. These Institutes should become an association of men and women who practice the profession of banking. The Institute should be regulated by a code of conduct upon which the practice of the profession should be based. Such Institutes should have stated goals which its members collectively and individually attempt to achieve for the benefit of society and its people. It should be more influenced by its concern for the welfare of the society and its people and not for only monetary aims.

There are certain criteria which are applicable to every profession. These are:

(a) Primary orientation to the community-interest rather than to individual self-interest.

(b) A high degree of self-control of behaviour through code of ethics.

(c) The professional body is essentially involved in intellectual operations and learning and possesses educationally communicable techniques.

(d) It tends towards self-organisation.

(e) A broad range of autonomy for both the individual practitioners and for the occupational group as a whole and

(f) An acceptance by the practitioners of broad personal responsibility and practice performed within the scope of professional autonomy.

From the above we can easily see that a profession is not just a mere occupation but a means of controlling an occupation.

Very professional Association therefore has some professional interests, such as:

(a) Certification and admission of entrants to the profession

(b) Maintenance of desirable standards of work and conduct

(c) Stimulating and promoting on-going professional development among members.

(d) Influencing and determining policy-decisions relating to training of the members of the profession and

(e) Influencing public attitude towards the profession.

A professional Institute has the obligation to ensure that its members conduct their profession within the acceptable code of conduct and should have the power to coerce deviant members of the Association.

The basic function or responsibility of any profession is to provide the specialized service which society entrusted to it at the highest possible levels of competence. Professional bodies protect society from incompetence, protect its members against competion of the unqualified and elevate the character and service of the profession.

It is important to note that the extent to which individual members of a profession can exert pressure on the affairs of their profession depends upon the Unity of its members which is the strength of the Institute. The strength of a Professional Institute depends upon the internal solidarity among:

1. Members

2. The Executive capability to translate talk into action and

3. The effectiveness of its leadership

A professional Association should see itself as part of the movement towards the transformation of society. It should not be seen as merely expressing the parochial interests of its members. A professional body must also insist on obtaining

the right to influence decisions affecting the profession. It is through this means that it can be ensured that the expert knowledge of the Professional Institute can be utilized for the benefit of society and indeed the state.

The structure and functions of a bankers' Institute

The long-term aim is to establish an African Institute of Bankers but in the immediate future, sub-regional Institutes should be established co-terminously within the economic groupings in Africa. These institutes as a professional body of practicing bankers should realise and fulfil certain objectives and goals. The main objectives of the banking institutes should be as under:

(1) To encourage the study of the theory and practice of banking and for that purpose to institute a scheme of qualifying examinations and to award certificates, scholarships and prizes;

(2) To promote information on banking and other related subjects through lectures, discussions and other educational/training programmes which may be organised from time to time for the benefit of the practicing bankers and the members in general;

(3) To organise library facilities and provide facilities for reading and research in the area of banking and other related subjects;

(4) To provide means of social intercourse between persons engaged in or connected with the business of banking;

(5) To support and protect the character, status and interest of persons engaged in or connected with the business of banking generally;

(6) To collect and disseminate statistics and other data relating to the business of banking and relevant to the banking industry in general.

The banking institutes must offer to their members professional qualifications through a proper frame-work of the qualifying examinations to meet the changing needs of professional bankers and the banking industry in general. This will provide an opportunity to their members to equip themselves as professional bankers so that in the course of time they are able to occupy senior positions in the banking profession which has been changing very fast not merely in terms of business growth but also in terms of techniques based on innovations in the banking industry.

The banking institutes, therefore, have to evolve an organisational structure or an administrative set-up such that these objectives and goals are fulfilled fully and prompt and efficient service is rendered to the members from time to time. The organisational structure of banking institutes must have two components - a policy making body and a Secretariat:

(1) The policy-making body will define and lay down the objectives and goals of the institutes from time to time and prescribe policies to be implemented by the institutes to realise a set of objectives and goals. This policy-making body is known differently in different countries as the "Governing Council" or the "Board of Governors" etc. This must be composed of professional bankers, drawn from the banks and other financial institutions in addition to professional experts in the areas related to the subjects prescribed for the qualifying examinations. The functions and powers of this body, must be clearly defined in the constitution of the Institutes.

The body shall carry out the following functions:

(i) Establish the long-term objectives of the Institutes and the strategies by which they are to be achieved;

(ii) Define the specific policies in respect of finance, personnel and growth of the institutes

(iii) Decide the organisational structure of the institutes for the management and administration of the affairs of the Institutes;

(iv) Select and appoint competent people to fill the key position in the hierarchy of the institutes;

(v) Ensure the development of planning, information and control systems appropriate to the organisational structure and to use these systems effectively to ensure control over the activities of the institutes; and

(vi) Take decisions on such matters as are reserved for the Governing Body in the Articles of Association and to exercise such other powers which the Governing Body may decide not to delegate to others.

To facilitate quick decision making, the governing body shall appoint standing committees to be responsible for specific areas of activities of the institutes. The Standing Committees shall be as under

(i) Executive Committee or Management Committee or the General purpose committee as may be differently called.

(ii) Examination Committee

(iii) Education and Training Committee

(iv) Publications Committee

(v) The Personnel Committee or Committee on Administration

(vi) Committee on Finance

In order to facilitate the smooth operations of the standing committees:

(1) The scope and the authority of Committees must be clearly defined. The members of the Committee must know clearly what their authority is and the area in which they can take decisions.

(2) The Committees should not be very large. If there are too many members, it is likely to cause more delay in the decision making process and therefore the membership of the Committees should be just sufficient to provide the necessary depth in the deliberations on the issues before the Committees.

(3) The members of the Committee should be appropriately selected. The members of the Committee should be those who can contribute by reason of their knowledge, experience, or position to the decisions to be taken on the issues to be decided by such Committees.

(4) An effective Chairman should be selected for the Committee. The Chairman plays a very important role in Committee Meetings. He should be able to grasp the issues before the Committee and guide and facilitate deliberations in order to arrive at a consensus. Therefore, the Chairman of the Committee should be selected very carefully.

The main function of the Governing Body, is to lay down the objectives and the goals of the institutes and the appropriate policies to be pursued by the institutes to realise these objectives. These objectives are realised through another part of the organisational structure based on the hierarchy of authority which is concerned and charged mainly with the responsibilities of administering and implementing the policy decisions taken by the Governing Body from time to time.

This part of the organisational structure must reflect in the Secretariat of the Institutes which must form the second component of the organisational structure.

The Secretariat, therefore, shall be staffed with competent and qualified persons as officers in charge of the various activities so as to be in a position to implement effectively the policies and programmes formulated by the Governing Body from time to time. The Secretariat of the Institutes shall be responsible for organising directing and controlling the various activities of the institutes so as to realise the objectives and goals laid down by the Governing Body from time to time. The Secretariat of the Institutes will serve as the link between the members of the institutes and the Governing Body.

(1) Service to the members:

The institutes are professional bodies of bankers and it is the duty of the institutes to provide certain basic services to the members. The institutes shall lay down the criteria and the basic qualifications necessary for admission to the various categories of the membership of the institutes. This will involve the maintenance of up-to-date records in respect of each member in relation to his status of the qualifying examination. The members will get shifted from one branch to another or from one place to another within the country or sometimes outside the country and, therefore, records have to be properly maintained and up-dated from time to time. This is a difficult task more so where the institute is big with a large membership spread out in distant parts of the country and therefore computerisation of membership records will facilitate the maintenance of up-to-date records. The services provided by the institutes should include the arrangement of tutorial classes and correspondence courses for the benefit of the members preparing for the examinations; providing library and reading facilities to the members at different centres; providing information relating to the various types of examinations conducted by the institutes the courses prescribed for them and the dates and centres for the examinations to be conducted well in advance. The institute must also provide books necessary for preparation for the various examinations apart from providing journals and other bulletins of information from time to time.

(2) Examinations:

The institutes should conduct the qualifying examinations for the employees of the banking industry for the award of Diplomas and Certificates. The institutes, therefore, have to prepare the syllabi for the various qualifying examinations, lay down the eligibility criteria for entry into the examinations. The institutes have, therefore to arrange for all the activities right from obtaining the manuscripts of question papers from the paper setters till the declaration of results of the examinations held by the institutes. The institutes have also to ensure the safety and security of the question papers. In order to maintain a certain Standard expected of a professional examination, the institutes should ensure the uniformity of standards in assessment of scripts. The examination programme generally involves time-bound schedules and it is, therefore, necessary for the Secretariat to ensure that there is no break-down at any point in the arrangements to be finalised for the conduct of examinations. It becomes, therefore, necessary to have an efficient administrative set-up.

(3) Publications:

The institutes, should publish journals and other bulletins periodically for the benefit of their members. It is necessary to ensure, through the Editorial Board, that the articles which are selected for publication in the journals are relevant to the banking industry and are likely to be useful and helpful to the members preparing for the examinations of the institutes.

(4) Finance:

The Banking Institutes shall be financed by donations/subscriptions from the banks and financial institutions. The contributions by banks shall be based on the size of their deposit and/or the number of employees. The examination fees also are a source of income to the institutes, but this income should be sufficient enough to meet the examination expenses. In order to have sufficient finances for the various activities of the institutes, it is necessary to have a long-term projection, say, for a period of 5 years of the income and expenditure of the institute and an appropriate pricing policy for the services provided to the members by the institutes from time to time and this policy should be reviewed from time to time keeping in view the changes in the costing of the services provided to the members.

In addition to implementing the policies of the Institute, the Secretariat of the institutes should also keep in touch with the trends and development in banking and initiate a change in the syllabi for the various examinations to meet the changing environments in the banking industry.

In other words, the Secretariat of the institutes has to act as an innovator of the activities of the institutes and has to engage itself in the process of influencing a change in the activities of the institutes. The Secretariat has to adapt itself to the continuous changing requirements of each situation, problem or challenge in the context of the changing environments in the banking and economic scene.

Finally, there cannot be any standardised administrative or organisational structure for any banking institute. Each institute, therefore, has to evolve an organisational structure or an administrative set-up keeping in view the environments in which it operates and the resources at its command. No organisational structure or administrative set-up once evolved is final. It has to be dynamic and it must change with time.

The case for harmonisation of professional examination in Africa

The stage has been reached where efforts should now be made to gradually harmonise the various professional examinations in Africa for the following reasons:

(1) A certificate issued by a body certifying all practitioners in a particular profession in Africa will command more acceptability and respect.

(2) A fussion of professional qualifications will also facilitate the formulation of uniform practice in the particular profession.

(3) It will create a bigger market to make the production of reading materials viable.

(4) A unified examination system will foster African Unity and better understanding among African States.

As a first step, the emphasis should be on the creation of sub-regional bodies in line with the Economic groupings already being fostered in Africa.

Teaching the banker

As already stated, a professional body should be able to determine the body of knowledge to be acquired for the practice of the profession. The body of knowledge is reduced into a syllabus. Once the syllabus has been determined there is the need for the professional body to determine the manner in which the knowledge is to be disseminated. This necessarily gives rise to some tuition arrangements of some sort. In Africa, the acquisition of professional knowledge in some fields such as banking and other professions has not been properly and fully integrated into the educational system and in Ghana for instance the educational system does not cater for this type of education.

In some countries in Europe and America professional courses are university-based and examinations are controlled by the universities. In Britain, on the other hand, the respective professional bodies determine the content and control the conduct of their examinations. The arguments against university based examinations are the following:

Professional courses are job-oriented and must be seen to go with practical experience. For this reason in many countries, although the universities and other institutions of high learning have a role in professional education, their roles are restricted to teaching. Matters such as syllabus content and development of reading materials are left in the hands of the professions themselves. The professional bodies

are therefore able to monitor and examine in such a way that the qualifications are made as practical as possible.

In cases where the qualifications have been turned over to a particular university, it has been observed that the institute loses control over the quality of tuition offered and where for instance several universities offer similar programmes, degrees of different qualities circulate.

It is also known that university administrations tend to be non-responsive to current trends and where majority of the lecturers have no experience of banking it is usually difficult to relate the subjects being taught to the working environment in which the final product must operate. In such a situation the students become non-adaptive to existing situations and the point is strongly made that job-oriented education should be carried out by the practitioners who have some practical experience of banking and could relate subject to environment. Another real obstacle to a university centred-programme is one of enrolment. Are the students to be recruited from the School system? In such a situation what happens to existing employees who are already in the system and doing the job. It could be said that some could meet the minimum entry requirements usually insisted upon by universities. But what of the majority who cannot? In banking it is not only educational attainments which matter but integrity of character also counts. And what of those who hold some degrees of some sort already? Where would they fit in?

The proposition is often not accepted that the courses should be extended to people outside banking since there is no guarantee that there would be jobs waiting for them on completion of courses. If entry is restricted to those already in the job, it would overcome the problem of lowering morale and frustration in the case where the banks would be recruiting graduates for the top echelons while the existing staff would be consigned and relegated to lower-grade jobs and prospects.

In the light of the foregoing reasons therefore there seems to be a strong case for the organisation of professional Institutes to control, conduct and certify their members. Having decided against university-controlled examinations does not necessarily follow that the universities and other institutions of learning should not have any role in the training of bankers. On the other hand these institutions should have separate departments for this type of education. Of course the determination of the content of the syllabus will remain in the domain of the professional institute. The content of syllabus should be decided by consultation between the Banks' Training Schools, the Education Authorities and the Institute's own Council. Every effort should be made to relate much of the syllabus to the practical aspects of the bankers' daily work as far as possible within the inevitable limitations of an examinations system. The Institute should maintain close liaison with the educational Institutions providing the education to ensure that the education being provided fulfils the aspirations of the institute. Afterall the Institute's examinations should be seen as a valuable and necessary addition to each Banks' own training system in the development of the professional skill of the banker.

The structure and content of a banking qualification

The aims of banking education are:

(a) To help bankers to acquire basic knowledge about banking.

(b) To help the bankers to develop appropriate applied banking skills.

(c) To help the banker to develop appropriate attitudes towards self, others, and the organisation.

To this end, all institutes should conduct examinations for the purpose of certifying and accrediting people who have acquired some knowledge in the profession of banking. The structure of the examination should be such as to provide a gradual process of education from the bottom up to the highest levels in the banking profession.

The following is a suggested scheme of examination:

(1) For young entrants who enter the career a banking certificate examination should be designed.

(2) For more experienced staff a Banking Diploma Examination should be made available which will confer Associateship status.

(3) For senior staff a degree level Banking Examination should be instituted which will confer fellowship status.

The subjects to be covered for the award of the certificate should cover basic accounting and economic principles, the general principles of Law, the Elements of Banking and communication skills. The objective is to give the student a good working knowledge of the economic and legal framework within which he operates and a good grounding in business subjects.

The banking diploma course should be at a higher level and should involve more technical banking subjects such as Accountancy, Practice of Banking, Finance of International Trade, Monetary Economics and Development Finance, Nature of Management, Law Relating to Banking and the Principles of Agricultural Finance.

For more senior management staff there would be a three year course to be conducted by a College for Banking Studies to be established by the Economic Commission for Africa with assistance by donor agencies. Examinations of the college will be in more advanced management, technical and computer science subjects and would involve project work.

At the end of the course candidates will be expected to present a long essay or thesis upon which the fellowship status would be conferred.

Attendance at the college would be subject to a selection process from the total number of applicants.

Members of the professional institute

In this scheme of things the membership of the various institutes in Africa would be made up of Associates and Fellows and designatory letters would be used to distinguish the qualified bankers from those who have not qualified.

Eventually, therefore, progression in the banking profession would necessarily be based upon a clearly defined standard of attainment. In this way banking practice would become more professional and the business of banking would be placed in the hands of people who have distinguished themselves through study and examinations.

The legislative framework for professional practice

A professional body exists to serve society and to protect society against quack operators. The state should therefore set the legal framework within which the activities of these professional bodies could be regulated. Such a legal framework ensures that only people who have been recognised by their fellow practitioners within definable rules are accredited to practice the particular profession. To this end therefore, it would be desirable for every country, more so in Africa where the work-culture is now emerging, to have a legal code. It will make it impossible for any person to practice any profession in respect of which a professional body has been registered under the particular law unless he has been duly registered by the registrar.

In this respect a professional body registered under the law would make rules and regulations governing the admission and the Code of Ethics of its members compatible with its traditions including rules and regulations providing for the ceassation of a person to be a member of the profession.

The law would make provision for any person adversely affected by any decision of a professional body registered under the law to appeal to a court if his membership is terminated, suspended or refused admission.

Bodies which may be registered

No body shall apply to be registered and be registered on the register as a professional body unless it is a society, institution or association:

(a) Which provides education and training for the purpose of enabling persons to qualify to become members of that profession.

(b) Which is united in a common interest for the purposes of pursuing research and other activities concerned with the progress of knowledge in any such profession and for maintaining and advancing a code of ethics and conduct among its members and generally for the maintenance of the highest ideals of the profession concerned.

To this end, there shall not be more than one professional body registered in respect of any particular profession. Furthermore, unless the Registrar is satisfied that it is in the interest of the profession concerned so to do, the registrar shall not register a professional body in respect of a profession comprising less than fifty (50) persons trained and qualified in the profession. •

Functions of the Registrar

The law would make provision for the appointment of a registrar of professional bodies. The registrar shall maintain, in accordance with the law, a register of professional bodies. He shall also maintain a separate register in respect of every profession in which all the names of the members of the particular profession shall be shown and would issue certificates to all such members.

The registrar would have the power to refuse to register any professional body which in his view does not merit to be recognised as such. However any professional body aggrieved by the refusal shall have the right of appeal to the courts.

Action Programme

In the final analysis, only the bankers can be able to determine what needs to be done in the area of banking education. Moreover, the strength of a professional institute depends upon the internal solidarity among members, the Executive capability to translate talk into action and the effectiveness of the leadership. In consequence of this I propose that a Federation of African Banking Institutes should be established under the aegis of the Economic Commission for Africa.

The main objects of the Federation are:

(1) To assist African countries who have no organised system of Examinations, Qualification, Certification in Banking to establish their own professional Institutes of Bankers.

(2) To plan the establishment of the Sub-regional Institutes of Bankers.

(3) To plan the establishment of the post-graduate College of Banking Studies for Africa.

Membership

The Federation shall be an association of all banking institutes in Africa and shall be a forum where bankers shall meet to discuss matters affecting banking education.

Organisation and structure:

The general assembly shall be the supreme controlling body of the Federation. Meetings of the assembly shall be attended by delegates from the member institutes in Africa.

There shall be an Executive Board which shall be responsible for the day to day activities of the Federation.

The Executive shall be composed of the President, Vice-President, Secretary and three appointed members.

Summary of recommendations

1. Countries in Africa without any professional Institutes should be assisted to set up their local Institutes of Bankers.

2. On establishment of the local Institute, appropriate syllabuses and reading materials should be designed to facilitate the setting up of local qualifying examinations.

3. In countries where there are in existence already, an Institute of Bankers they should be assisted to localise the Banking qualifications after a proper identification of needs. A machinery should also be set in motion to train teachers and examiners.

4. The Economic Commission for Africa should take steps to establish a college for post-graduate banking studies to serve the entire continent with assistance from donor agencies.

5. All African countries should be urged to pass a law to regulate the operations of professional bodies.

6. Steps should be taken to establish Sub-regional Institutes of Bankers to harmonise banking practice in Africa. The Sub-regional Institutes should eventually lead to the establishment of a continental Institute.

7. All African countries should be urged to integrate all professional courses in their educational systems.

8. That a Federation of African Banking Institutes should be established under the aegis of the Economic Commission for Africa to oversee the implementation of the above recommendations.